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## CONSOLIDATED MANITOBA MINES LIMITED

### DIRECTORS

ANDREW AZZARA - - - - Brooklyn, N.Y.  
DAVID A. BALFOUR - - - - Winnipeg, Manitoba  
GARY T. BRAZZELL - - - - Winnipeg, Manitoba  
JOSEPH P. CUNNINGHAM - - - - New York, N.Y.  
WILLIAM D. HAMILL - - - - Falmouth, N.H.  
PETER O. HEADLEY - - - - New York, N.Y.  
DR. MORTON SCHIFF - - - - New York, N.Y.

### OFFICERS

PETER O. HEADLEY - - - - - President  
ANDREW AZZARA - - - - - Vice-President  
DR. MORTON SCHIFF - - - - Secretary-Treasurer  
GARY T. BRAZZELL - - - - Assistant-Secretary

### HEAD OFFICE

600 Montreal Trust Building  
213 Notre Dame Avenue  
Winnipeg 2, Manitoba

### REGISTRAR AND TRANSFER AGENT

MONTREAL TRUST COMPANY  
Winnipeg, Manitoba

### AUDITORS

NEFF, GOODWIN & CO.  
Toronto, Ontario



## DIRECTORS' REPORT TO THE SHAREHOLDERS

This 42nd annual report of your company reviews exploration activities and includes financial statements for the fiscal year ended August 31, 1969.

Programs by Consolidated Manitoba and its associated companies were carried out in several areas of Canada during the past season. In the current year, the company and its affiliates will be involved in a number of projects covering base metal and precious metal properties.

Shortly after the fiscal year-end a rights offering was made which netted the company treasury approximately \$261,190 with an issue of 1,038,758 treasury shares. These funds provide your company with stronger capability to carry forward its exploration commitments.

### HOYLE TWP. — TIMMINS AREA

In the Timmins area of northern Ontario, Consolidated Manitoba's Hoyle Township program covers 105 claims and is under the supervision of Dr. Norman Patterson, consulting geophysicist.

This program included magnetometer and electromagnetic surveys on grid boundaries 400 feet apart at 50-foot stations. Further electromagnetic work, with a 400-foot horizontal loop, was done in areas that revealed the greatest promise, based on results of the initial work.

Overall, the geophysical testing resulted in a number of targets that are excellent drilling possibilities.

Crews for Consolidated Manitoba are now diamond drilling, employing heavy equipment, on four claims in Hoyle Township optioned from Hudson Bay Mountain Silver Mines Ltd. These four claims are located in the southern half of Lot 7, Concession 2. A map is included in this report, showing the company's holdings in the township and the area of the drilling.

It appears that the International Nickel Company of Canada is carrying out an extensive diamond drilling program on property immediately adjoining Consolidated Manitoba's optioned four claims. It is the aim of your company, in its drilling program, to intersect the projected down-dip extension of the structure from the adjoining International Nickel holdings.

A continuing drilling program is scheduled. Consolidated Manitoba is acting to acquire additional claims in Hoyle Township.

### COPPERMINE RIVER AREA

Consolidated Manitoba, through its control of September Mt. Copper Mines Limited, continues its activities in the



Northwest Territories where September Mt. acquired more than 1,000 claims.

This past summer an option agreement was made by September Mt. with the Keevil Mining Group, covering properties held by September Mt. and other claim groups which had been optioned from Coronation Gulf Mines Limited and Spectroair Explorations Limited.

Sixteen holes were drilled in this area, all of which intersected widespread, low copper mineralization. One probe, Hole No. 2, intersected 60 feet of 2.14% copper and 0.315 oz. silver per ton, from 56.0 feet to 116.0 feet. Additional diamond drilling is planned for the coming season.

#### **PINE POINT AREA**

Yellowknife Base Metals Limited, another affiliate of your company, continued a program of diamond drilling on its 76-claim property in the Pine Point area. The work has thus far outlined 338,125 tons averaging 6% zinc and 1.736% lead per ton. Management is hopeful that conditions will ultimately develop that could make the property an economic mineral situation.

#### **CORONATION GULF AREA**

Consolidated Manitoba holds a 50-claim property in the Coronation Gulf area of

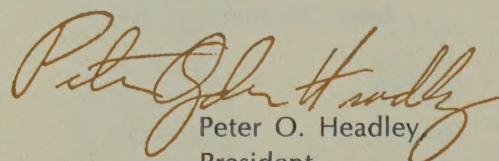
the Northwest Territories. The property has been surveyed and a number of gold-bearing vein structures have been mapped. Although no work was performed on these claims during the past year, the property remains in good standing.

In the James Bay region of northern Ontario, Consolidated Manitoba and its associated company, Great Basin Metal Mines Limited, carried out extensive geological follow-up work. Although more than 5,000 feet of diamond drilling was done the results were disappointing.

Overall, management of Consolidated Manitoba and its associated companies looks forward to renewed activity in 1970 and is, at present, negotiating to acquire properties in several areas of the country where there is considerable exploration involvement.

Shareholders will be kept informed of developments.

On behalf of the Board,

  
Peter O. Headley  
President

Winnipeg, Manitoba,  
January 15, 1970



# CONSOLIDATED MANITOBA MINES LIMITED

(Incorporated under the laws of Manitoba)

## BALANCE SHEET AS AT AUGUST 31, 1969

### ASSETS

#### Current assets:

	1969	1968
Cash .....	\$ 7,679.42	\$ 11,807.50
Accounts receivable .....	500.00	48,667.91
Marketable securities — at cost (market value 1968 — \$6,993.00) .....		6,945.50
	<u>8,179.42</u>	<u>67,420.91</u>

#### Investments in other mining companies:

Capital stocks — at cost (note 5) .....	205,617.55	205,617.55
Advances .....	15,857.55	23,595.03
	<u>221,475.10</u>	<u>229,212.58</u>

Mining properties — at cost (note 1) .....	<u>137,037.01</u>	<u>192,975.00</u>
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#### Deferred expenditures:

Exploration .....	227,413.16	184,197.53
Administration .....	118,975.82	94,434.10
	<u>346,388.98</u>	<u>278,631.63</u>
	<u>\$ 713,080.51</u>	<u>\$ 768,240.12</u>

### LIABILITIES

#### Current liabilities:

Accounts payable .....	\$ 28,158.54	\$ 16,072.65
Due to a director .....	13,500.00	
	<u>41,658.54</u>	<u>16,072.65</u>

### SHAREHOLDERS' EQUITY

#### Capital stock: (notes 6, 7 and 8)

Authorized: 5,000,000 shares of \$1.00 each		
Issued and fully paid: 3,026,275 shares .....	3,026,275.00	3,026,275.00
Less: Discount on shares .....	1,446,896.30	1,446,896.30

	<u>1,579,378.70</u>	<u>1,579,378.70</u>
Deficit .....	<u>907,956.73</u>	<u>827,211.23</u>
	<u>671,421.97</u>	<u>752,167.47</u>
	<u>\$ 713,080.51</u>	<u>\$ 768,240.12</u>

See notes to financial statement

Approved on behalf of the Board:

PETER OGDEN HEADLEY, Director  
MORTON SCHIFF, Director



## STATEMENT OF DEFERRED EXPLORATION EXPENDITURE

for the Year Ended August 31, 1969

	Balance August 31, 1968	Expenditure during the year	Balance August 31, 1969
<b>Coronation Gulf:</b>			
Diamond drilling .....	\$ 42,470.46	\$	\$ 42,470.46
Engineering fees and expenses .....	31,205.36		31,205.36
Travel and transportation .....	25,385.47		25,385.47
Supplies and equipment .....	21,964.70	( 500.00)	21,464.70
Wages .....	5,381.50		5,381.50
Geophysical surveys .....	4,723.80		4,723.80
Assaying .....	1,437.40		1,437.40
Telephone and telegraph .....	466.34		466.34
Licences, fees and taxes .....	1,265.00		1,265.00
Sundry expense .....	331.28		331.28
	<u>134,631.31</u>	<u>( 500.00)</u>	<u>134,131.31</u>
<b>Moosonee:</b>			
Geophysical surveys .....	22,350.96		22,350.96
Line cutting .....	14,707.85		14,707.85
Consulting fees and expenses .....	6,855.78	75.00	6,930.78
Licences, fees and taxes .....	3,978.75	424.50	4,403.25
Maps and prints .....	586.08		586.08
Telephone and telegraph .....	242.80		242.80
Travel and transportation .....		111.82	111.82
	<u>48,722.22</u>	<u>611.32</u>	<u>49,333.54</u>
<b>Bond and Hoyle Townships:</b>			
Diamond drilling .....		17,729.75	17,729.75
Geophysical surveys .....		11,402.50	11,402.50
Line cutting .....		8,902.50	8,902.50
Consulting fees and expenses .....	700.00	3,660.00	4,360.00
Travel and transportation .....		781.36	781.36
Licences, fees and taxes .....	144.00	596.20	740.20
General field .....		32.00	32.00
	<u>844.00</u>	<u>43,104.31</u>	<u>43,948.31</u>
	<u>\$184,197.53</u>	<u>\$ 43,215.63</u>	<u>\$227,413.16</u>



# CONSOLIDATED MANITOBA MINES LIMITED

## STATEMENT OF DEFERRED ADMINISTRATION EXPENDITURE

for the Year Ended August 31, 1969

	Balance August 31, 1968	Expenditure during the year	Balance August 31, 1969
Head office and management services .....	\$ 12,480.00	\$ 2,400.00	\$ 14,880.00
Transfer agents fees .....	26,258.77	3,222.55	29,481.32
Legal and audit fees .....	40,495.46	13,022.26	53,497.72
Directors fees .....	5,100.00		5,100.00
Shareholders' meetings and reports .....	14,466.25	4,411.47	18,877.72
Office supplies and expense .....	11,032.12	862.26	11,894.38
Travel .....	14,151.71	411.91	14,563.62
Licences, fees and taxes .....	6,858.42	261.27	7,119.69
	130,842.73	24,571.72	155,414.45
<b>Less:</b> Interest earned .....	36,408.63	30.00	36,438.63
	<u>\$ 94,434.10</u>	<u>\$ 24,541.72</u>	<u>\$118,975.82</u>

## STATEMENT OF DEFICIT

for the Year Ended August 31, 1969

	1969	1968
Balance, beginning of the year .....	\$827,211.23	\$827,011.23
<b>Add:</b> Loss on sale of marketable securities .....		400.00
Acquisition costs of mining claims abandoned .....	80,800.00	
Interest in prospecting grubstake .....		1,000.00
	908,011.23	828,411.23
<b>Less:</b> Contributed surplus .....		1,200.00
Gain on sale of marketable securities .....	54.50	
Balance, end of the year .....	<u>\$907,956.73</u>	<u>\$827,211.23</u>



## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the Year Ended August 31, 1969

### Source:

	1969	1968
Gain on sale of securities .....	\$ 54.50	
Issue of 9,000 shares of capital stock .....		\$ 2,700.00
Interest earned .....	30.00	2,138.90
Contributed surplus .....		1,200.00
Repayment of advances to other companies .....	7,737.48	17,000.00
	<u>7,821.98</u>	<u>23,038.90</u>

### Application:

Exploration expenditure .....	43,215.63	19,669.70
Administration expenditure .....	24,571.72	24,524.14
Acquisition cost of mining claims .....	1,862.01	61,350.00
Option payments on mining claims .....	23,000.00	7,500.00
Advances to other mining companies .....		3,350.00
Loss on sale of marketable securities .....		400.00
	<u>92,649.36</u>	<u>116,793.84</u>
Decrease in working capital .....	84,827.38	93,754.94
Working capital, beginning of year .....	51,348.26	145,103.20
Working capital (deficiency), end of year .....	<u>\$ (33,479.12)</u>	<u>\$ 51,348.26</u>



# CONSOLIDATED MANITOBA MINES LIMITED

## NOTES TO FINANCIAL STATEMENT

August 31, 1969

### 1. Mining properties:

Coronation Gulf, Northwest Territories (Mackenzie Mining District)	
50 mining claims acquired for \$25,000.00 cash and 500,000 shares of capital stock valued by the directors at 10 cents per share .....	\$ 75,000.00
Moosonee, Ontario (Larder Lake Mining Division)	
10% carried interest in 34 claims acquired for cash .....	6,800.00
18 claims acquired for cash ...	21,000.00
40 claims acquired by staking, at cost .....	9,737.01
Bond Township, Ontario (Larder Lake Mining Division)	
16 claims at option cost to date (note 2) .....	12,500.00
Hoyle Township, Ontario (Porcupine Mining Division)	
90% interest in 69 claims at option cost to date (note 3) ..	10,000.00
16 claims at option cost to date (note 4) .....	2,000.00
	<u>\$137,037.01</u>

### 2. Bond Township Option:

Under an agreement dated March 7, 1968 as amended by an agreement dated November 11, 1968 the Company acquired an option agreement on the 16 claims. The amending agreement, subject to approval by the regulatory bodies having jurisdiction, provides for the issue of 30,000 shares of the Company's capital stock on the effective date (date of approval by the regulatory bodies having jurisdiction) and further provides for an option on 20,000 shares of capital stock at 70 cents per share exercisable within 12 months of the effective date. The option agreement expires on February 6, 1970. In the event that a commercial ore body is discovered on the claims, a further payment of \$40,000.00 cash and 10% of the vendors shares of a new 3,000,000 share Ontario company formed to acquire the claims, would be required.

### 3. Hoyle Township Option:

Under an agreement dated June 12, 1969 the Company acquired an option on a 90% interest in 69 mining claims for \$10,000.00. In order to fully exercise this option the Company would be required to pay an additional \$5,000.00 cash on or before December 12, 1969 and to issue the optionor 300,000 shares of the Company's capital stock or to incorporate four new mining companies to acquire the mining properties and to issue 75,000 shares of each of the new companies capital stock to the optionor.

### 4. Hoyle Township Option:

Under an agreement dated May 15, 1969 the Company acquired an option on a 90% interest in 16 mining claims for \$2,000.00 cash. In order to fully exercise this option the Company would be required to pay an additional \$33,000.00 cash, \$2,000.00 on or before November 15, 1969, \$3,000.00 on or before May 15, 1970, \$3,000.00 on or before November 15, 1970, \$25,000.00 on or before May 15, 1971, and to issue 225,000 shares of the capital stock of a new 3,000,000 share Ontario company incorporated to acquire these claims, on or before May 15, 1970.

### 5. Investment in other mining companies:

Capital stock:	
Yellowknife Base Metals Limited	
750,000 shares (90% escrowed) \$	12,667.55
Victory Lake Mines Limited	
750,000 shares (90% escrowed)	9,500.00
Partridge River Mines Limited	
750,000 shares (90% escrowed)	21,600.00
Great Basin Metal Mines Limited	
675,000 shares (escrowed) ....	100,500.00
September Mt. Copper Mines Limited	
302,812 shares (90% escrowed)	61,350.00
	<u>\$205,617.55</u>



**6. Capital stock:**

Options are outstanding to officers of the Company on 56,000 shares of capital stock at 30 cents per share exercisable (on a cumulative basis) as follows:

43,000 shares during the year commencing January 14, 1969

13,000 shares during the year commencing January 14, 1970

These options terminate, if not exercised, on cessation of employment.

**7. Capital stocks:**

Pursuant to a resolution of the Board of Directors, the Company will issue 3,026,275 rights to shareholders of the Company covering the acquisition of up to 1,008,758 shares of capital stock for 25 cents cash and three rights per share exercisable within 30 days of the record date.

**8. Capital stock:**

Pursuant to an agreement dated September 26, 1969 and the rights offering referred to in note 7, an underwriting company has the right to purchase all or any part of the shares not exercised under the rights offering at 25 cents per share within 7 days of the date of the expiry of the rights offering. The underwriting company has guaranteed the purchase of sufficient shares to ensure the receipt of \$75,000.00 cash by the Company from the rights offering. In consideration of the foregoing the Company has granted the underwriting company an option on further unissued shares up to 50% of the shares so taken down by the underwriting company but not to exceed 200,000 shares, at 30 cents per share, which option is exercisable within 3 months of the expiry date of the rights offering.

**9. Directors and senior officers remuneration:**

During the year ended August 31, 1969 no direct remuneration was paid to directors and senior officers of the Company.

## AUDITORS' REPORT

To the Shareholders,  
Consolidated Manitoba Mines Limited.

We have examined the balance sheet of Consolidated Manitoba Mines Limited as at August 31, 1969 and the statements of deficit, deferred expenditure and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at August 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

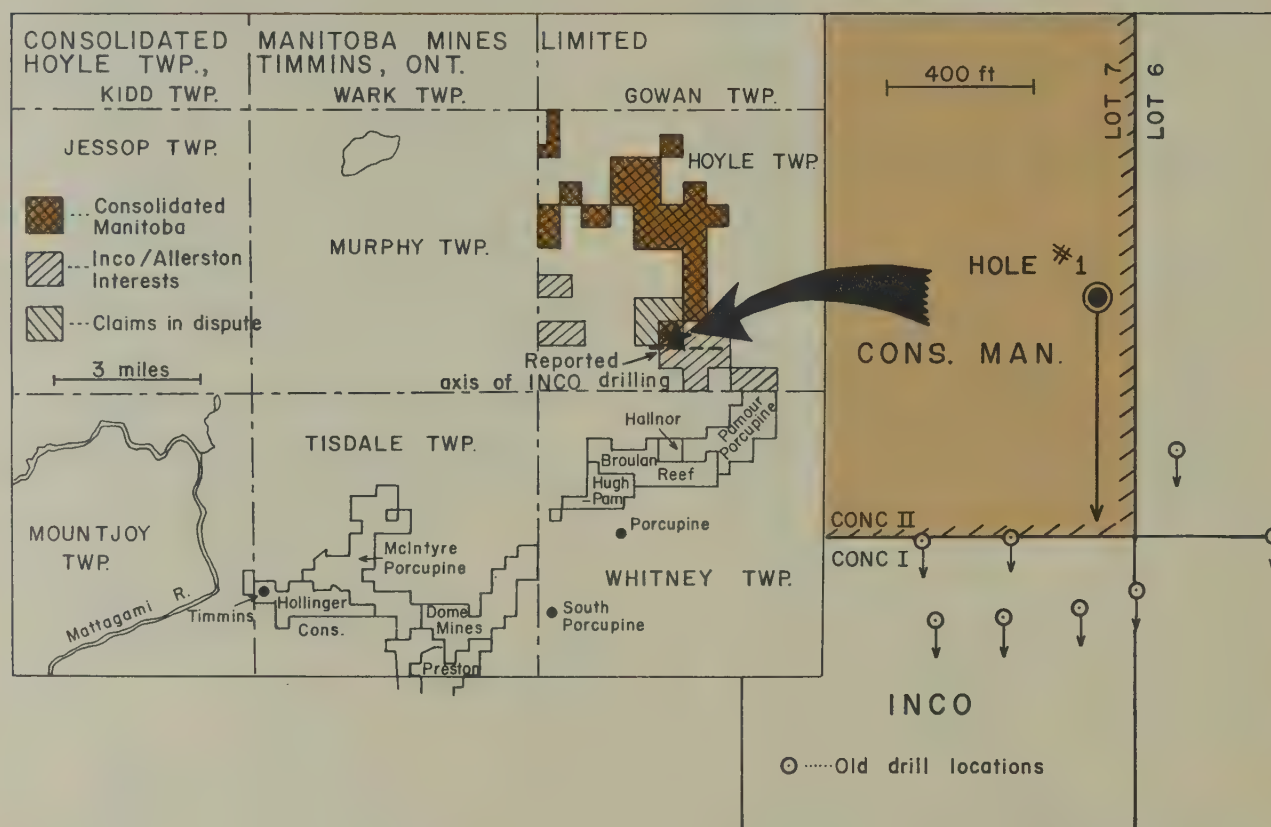
TORONTO, Canada,  
October 16, 1969.

NEFF, GOODWIN & CO.  
Chartered Accountants.



# CONSOLIDATED MANITOBA MINES LIMITED

## TIMMINS AREA PROGRAM



The map on this page shows holdings of Consolidated Manitoba in Hoyle Township, Timmins area, centre of gold exploration activity. The company has a total of 86 claims under option and is acquiring more ground. Area at right is the location of the current drilling program.















